REMARKS

Claims 1-6, 8 and 9 remain pending in the application.

To put the application in better condition for appeal, the Examiner is requested to reconsider her § 101 rejection of claim 9, her § 112 rejection of claim 8, and her § 102 rejection of claim 1.

Regarding claim 9, the claim requires a watermark detection system including "a watermark decoder." The Final Action states that "the decoder can either be software, hardware, or a combination of both," citing the specification at page 11, lines 22-27.

More accurately, the cited passage states:

The implementation of the functionality described above (including watermark decoding) is straightforward to artisans in the field, and thus not further belabored here. Conventionally, such technology is implemented by suitable software, stored in long term memory (e.g., disk, ROM, etc.), and transferred to temporary memory (e.g., RAM) for execution on an associated CPU. In other implementations, the functionality can be achieved by dedicated hardware, or by a combination of hardware and software.

The first part of this passage teaches an implementation using software executed on a [hardware] CPU. Thus, this arrangement is clearly statutory.

The last sentence of this passage teaches that the implementation can be (1) "dedicated hardware," or (2) "a combination of hardware and software." Again, both of these implementations are statutory.

There is no teaching of an implementation by software alone. Thus, withdrawal of the § 101 rejection is solicited

Regarding the § 112 rejection of claim 8, the Final Action argues that the specification has not provided enablement "for encoding any object under the sun," and particularly gives "a carpet fiber or a drop of water" as examples.

Claim 8 depends from claim 1, and requires all of its limitations. Claim 1 is limited to encoding "one or more content objects with a steganographic digital

watermark." Neither a carpet fiber or a droplet of water is a "content object" as required by claim 1.

An artisan would understand the meaning of a "content object" from the specification. They would understand that it refers to objects such as printed documents, imagery, video and audio.[1] A carpet fiber or a droplet of water is not a "content object."

Regarding the § 102 rejection of claim 1, the Examiner's *Response to Arguments* contends that the analysis required by § 112, ¶ 6 is met by the analysis of claims 2-4. However, claims 2-4 are not rejected under § 102 over Hayashsi; they additionally rely on Macy (under § 103). Macy is not cited against claim 1. Thus, the Final Action has not made a showing that the § 112, ¶ 6 requirements of claim 1 are met by Hayashi alone.

Accordingly, the Examiner is requested to withdraw these rejections so that the members of the Board need not address these evident errors.

Reconsideration is solicited.

Respectfully submitted,

Date: April 21, 2008

DIGIMARC CORPORATION

CUSTOMER NUMBER 23735

Phone: 503-469-4800
FAX 503-469-4777

By /William Y. Conwell/
William Y. Conwell
Registration No. 31,943

[1] *See, e.g.*, the published specification at paragraph [0003]: "In electronic objects (e.g., digital audio or imagery--including video)..."; at paragraph [0005]: "...a watermark in one content object (e.g., a printed magazine article) serves to link..."; at paragraph [0061]: "...content owners or others would watermark content (audio, video, images, text documents) and then..."; etc.